



Film Industry Financial Incentive (FIFI)

Sponsored by: Joint Travel, Recreation, Wildlife & Cultural Resources Committee

AN ACT relating to travel and tourism; repealing sunset for film industry financial incentives program; creating an account; providing a continuous appropriation; and providing for an effective date.

Current Legislation Recap:

- The Film Industry Financial Incentive (FIFI) program is a result of a Wyoming industry task force exploring economic development opportunities in Wyoming.
- Passed in February 2007, the program is a cash rebate for production companies of up to 15% on dollars spent in the State of Wyoming during a film shoot.
- Currently, the production company would have to spend a minimum amount of \$200,000 to qualify.
- When film or ad companies work in Wyoming, the production company contributes significantly to the local economy through local crew hires, rentals and purchases.
- Viewing Wyoming locations/tourism destinations on the motion picture or television screen also impacts potential tourists significantly, and may affect their decision to visit Wyoming.

Program Results (inception to date):

- Growing Local Economies – Total Wyoming expenditures (purchases of goods/services from Wyoming businesses) from FIFI projects came in just over \$2 million from a \$500,000 investment in rebates; this equates to a 400% return on investment.
- Enhancing Wyoming Tourism Promotion – FIFI approved film projects have worldwide distribution via Video Action Sports (VAS Entertainment), NBC World of Adventure Sports, iTunes studio, National Geographic Channel, PBS, DVD sales, etc. Tourism media buy equivalent for one-hour of programming shown once on National Geographic equates to \$150,000-\$175,000 and prime time PBS equates to \$75,000.
- Jobs for Wyoming Residents – 75 local crew hires totaling nearly \$1 million in wages for Wyoming workers from these five (5) completed FIFI projects; Session, Swift Silent Deep, Cable to the Sky, Jackson Hole to the Max and Discover the Wild.

FIFI Budget Break-Down:

Revenues - Appropriations	\$ 1,800,000
Expenses - FIFI Rebates	\$ 554,229
Remaining FIFI Balance as of 12/31/10	\$ 1,245,771

Legislation Amendment Request:

A repeal of the sunset provision and the creation of a film industry financial incentive program account with a continuous appropriation.

Building a Qualified Workforce:

- **Laramie County Community College (LCCC)** developing a digital media filmmaking curriculum—including screenwriting, casting, location scouting; production services — lighting, sound and camera operation; post production — editing, and distribution at film festivals, websites and community access television.
- **Central Wyoming College (CWC)** moving forward with film production training curriculum development as well as a request for funding for a faculty position. There is a strong opportunity to link this program with the radio and TV broadcasting degrees as well as partner with WPBS.

Testimonials from Production Companies:

- **Wink Inc. Productions** *“In recent years, state-based incentives have become a major deciding-factor for networks and clients and FIFI is a major element that will keep us competitive here in Wyoming.”* – Jason Winkler, CEO
- **Reichert Films** *“Today, to produce quality films the budgets that are available are stretched to the limit. Thus, for many filmmakers the FIFI program is the difference between a project being viable or not.”* – David Reichert, Wildlife Filmmaker
- **Pilgrim Films & Television** *“We are developing a non-scripted series with a national cable network and exploring which state to potentially shoot the project in. As you would surmise, much of this decision is based upon the incentive program offered by each state.”* – Zig Gauthier, Producer

Film incentive programs exist worldwide including 40 U.S. states and they are all structured differently offering 5%-42% in tax incentives, transferable credits and cash rebates. There have been numerous conversations about the benefits and challenges associated with state incentive programs. Here are some of those discussions and how Wyoming’s program stacks up.

- *Film incentives don't create permanent jobs or enough tax revenue to offset their cost (Source: Hartford Courant Nov 17, 2010)*
 - **Wyoming’s film incentive program** was set up at a competitive level of 12%-15% with the intent to promote economic development and a diversified state economy; provide new employment opportunities for Wyoming workers; and provide public visibility of Wyoming as a tourist or business destination.
- *Questionable data, hard to find exact impact of in-state film production (Source: Governing magazine June 2010)*
 - **Wyoming’s film incentive data** is provided by the production company through contractual requirements of submitting receipts for all in-state expenditures and all Wyoming crew hires. Those expenditures go through an auditing process before any data is published.
- *Management and oversight of state film incentive programs (Source: Governing magazine June 2010)*
 - **Wyoming’s film incentive program** requires production companies to enter in to a contractual agreement with the Wyoming Office of Tourism (WOT), which is approved by the Attorney General and agree to FIFI rebate requirements. After production is complete the company must submit qualified expenditure receipts that are audited by the WOT Business Manager and the Wyoming Business Council Comptroller before any payment is received. An annual FIFI report is submitted to the Joint Appropriations and Joint Travel, Recreation, Wildlife & Cultural Resources Committees.
- *Transferable tax credits being redeemed at a later date (Source: Governing magazine June 2010)*
 - **Wyoming’s film incentive program** is a cash rebate and is only subject to be paid out once contractual agreements are fulfilled and expense receipts audited. A review committee determines the eligibility of each project and funds are only encumbered for approved projects.

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